This record is a partial extract of the original cable. The full text of the original cable is not available.

CONFIDENTIAL COLOMBO 001146

SIPDIS

OFFICIAL INFORMAL

FOR SA/INS

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TAGS: AMGT CE MV LTTE

SUBJECT: OFFICIAL INFORMAL NUMBER 090 (07/09/04)

Classified by Ambassador Jeffrey J. Lunstead for reasons 1.5 d and  $\sigma$ .

Contents: Japanese Deputy Foreign Minister Meeting

with U/S Larson

Hingurakgoda Temple Bombed

- July 10 Provincial Council Elections

Japanese Deputy Foreign Minister Meeting with U/S Larson

11. (SBU) Two Japanese Embassy Econ officials called on Dean yesterday to discuss our reaction to the UPFA's recently announced economic plan (reporting septel). During the meeting they mentioned that they had been instructed to ask about our perceptions on the economy, particularly anything we thought relevant to a July 15 meeting between E and Deputy FM Fujisaki. They did not know specifically what the DFM wants to discuss relative to Sri Lanka. They said their overall impression is that economic fundamentals in Sri Lanka are sound, but that the UPFA's new economic plan lacks information on how it will be implemented (an assessment we share). We did not know about this meeting but wanted to highlight that Sri Lanka may be on the agenda in some form. One issue that was raised in the meeting that E might want to mention is greater USAID/Japan cooperation in Sri Lanka. The Japanese reps said they have been pressured by Tokyo to increase cooperation, but are simply too busy. USAID has also tried to cooperate, on Washington's instructions, but often gets rebuffed. If this is a priority of both governments, perhaps Tokyo could lean on its folks in Colombo to restructure their priorities somewhat. (ECON)

## HINGURAKGODA TEMPLE BOMBED

12. (C) As part of the problems in the East possibly contributing to the July 7 suicide bombing in Colombo, we reported (Colombo 1132) that 14 Tamil youths had been arrested on July 5 for suspected weapons possessions at a Buddhist temple in the eastern town of Hingurakgoda. The youths, who were later released, were suspected to be loyal to breakaway LTTE rebel Karuna. Late on the evening of July 8, the residential area of the temple's chief monk was firebombed. The chief monk was seriously injured and transported to Colombo for medical attention. Although it appears that the monk was directly targeted, he was not at the temple during the July 5 incident. No one else seems to have been injured and the main part of the temple was not damaged. The LTTE are suspected in the July 8 attack -- which is perhaps seen as another message to cease support for pro-Karuna elements. (POL)

## JULY 10 PROVINCIAL COUNCIL ELECTIONS

13. (C) FYI. Six of Sri Lanka's nine provincial councils will hold elections on July 10. Given likely voter fatigue from the April 2 parliamentary elections, observers do not anticipate a huge turnout or any major upsets. The President's United People's Freedom Alliance (UPFA) is dominant in five of the six provinces facing elections, while the Opposition United National Party (UNP) controls the sixth. The UPFA has only a narrow majority in the Western Province (which includes Colombo), and it is possible that the balance of power in the council may switch after the election. While local media has reported on a possible heart attack by the Elections Commissioner — he has a history of health problems — it has not been confirmed. His health will not have an impact on the elections, however, as there is an Acting Elections Commissioner. (POL)

LUNSTEAD